MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 1, 2016/2017

DAC5028 – COMPUTERIZED ACCOUNTING INFORMATION SYSTEM

(For Diploma Students Only)

19 OCTOBER 2016
2.30 p.m – 4.30 p.m
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This question paper consists of **9** pages with 2 sections.
2. For Section A, shade your answers on the OMR sheet provided.
3. For Section B, write your answers in the answer booklet provided.

SECTION A : MULTIPLE CHOICE QUESTIONS 1-30 (each question carries 1 mark with a total of 30 marks). Answers for this section should be shaded in the OMR sheet.

1. Which of the following information and data in F&N Foods Pte Ltd is ***correct***?

   A. Useful information such as the past month's sales figures are facts that are organised by their computer system to enable the top management to prepare their coming months' sales budgets.
   B. The benefit of good cash flow information in F&N Foods is that it enables the top management to use their resources and time to obtain such information.
   C. The chief executive officer and chief financial officer of F&N Foods often require discretionary information rather than mandatory information as they need to ensure that the information provided are valuable.
   D. Information overload often occurs when too much information is given to the user in order to enable the user to make better decisions.

2. The primary activities in Samsung Company includes _____.

   I. providing repair and maintenance services to their customers
   II. receiving and storing electronic parts and plastic covers
   III. purchasing LED screen pads that will be used in the production of the phones
   IV. engaging in online social media advertising before releasing new models

   A. I, II & III only.
   B. II, III & IV only.
   C. I, II & IV only.
   D. All of the above.

3. MSTS Sdn. Bhd. engages in providing safety training for the oil and gas industry officers. In order to ensure that Malaysian oil and gas officers receive the appropriate training, the firm needs _____ information that are free from any error and bias and _____ information that can be obtained in time to ensure that all trainings are conducted accordingly.

   A. relevant; complete
   B. complete; relevant
   C. reliable; timely
   D. timely; reliable

4. Daibochi Plastic Sdn. Bhd. produces plastic packaging for various industries. Thus, the interactions between the firm's AIS system and the internal and external parties are crucial. Which of the following interaction is ***inaccurate***?

   A. Daibochi's vendors will submit their purchase orders to Daibochi for further processing and production.
   B. Information such as loan request and loan payments are sent to and from the creditors to the AIS system.
   C. The AIS system sends the company's production report and managerial report to the company's management for further production expansion planning.
   D. Maybank sends monthly bank statements to Daibochi in order to ensure that the firm is duly informed on their monthly bank transactions.

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5. Jacklyn Chua is a manager in Hatten Hotel Malacca. When a company approaches Hatten Hotel to host an annual dinner with a customised menu and luxurious door gift, Jenny has to make a _____ decision which requires _____ assessments.

A. semistructured; subjective
B. unstructured; routine
C. semistructured; routine
D. unstructured; subjective

6. UEM Builders Berhad is a renowned international construction company with a strong track record in delivering infrastructure development projects. Which of the following coding techniques is the most suitable technique that can be used when UEM is coding the houses in a residential area?

A. Housing code.
B. Group code.
C. Block code.
D. Sequence code.

7. Important information that are often collected in Colgate-Palmolive (M) Sdn. Bhd. includes _____.

A. level of Colgate inventories in the firm
B. marketing executives in the firm that engages in Colgate promotions
C. purchasing silica gels that are to be used in the production of Colgate
D. All of the above.

8.

- Could lead to the generation of false documents used for false transactions.
- Could be due to the misplaced of documents because of carelessness.

Which of the following instance is explained by the above description?

A. Theft of resources for personal use.
B. Document number is missing in the sequence.
C. Duplicated document number in the system.
D. None of the above.

9. Aida is an accounts manager in Sunshine Bed and Breakfast Motel in Cameron Highlands. In her daily task, she uses a _____ to make adjusting entries to her records when her customers makes the payment for the balance accommodation fees upon arrival and check in.

A. specific journal
B. general journal
C. special journal
D. accounting journal

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10. Which of the following data processing in Padini Holdings Berhad is ***true***?

I. The public relation executive creates a new record when there is a new membership application.
II. The IT staff ensures that the POS systems nationwide are always connected to the Padini database in order to read the membership data whenever a member makes a purchase.
III. The Padini clerk ensures that all request for personal information updates are duly keyed into the system and duly processed.
IV. The customer service manager ensures that all the members' data in the company's database are accurate.

A. I, II & IV only.
B. I, II & III only.
C. II, III & IV only.
D. I, III & IV only.

11. Kotra Pharma (M) Sdn. Bhd. is a pharmaceutical company that manufactures formulated health products for all age groups. Which of the following information flow is ***inaccurate***?

A. The need to purchase more calcium powder flows from the production cycle to the expenditure cycle.
B. Information about the sales of 200 cartons of formulated adult milk powder flows from the sales cycle into the production cycle to initiate the production of more inventories.
C. Total sales for the month of July 2016 flows from the revenue cycle to the general ledger and reporting function in order to prepare the financial statement.
D. Purchasing figures flows from the revenue cycle into the human resource cycle in order to calculate commissions and bonuses.

12.

- Require signature to authorize the sales order.
- Sending emails to confirm the sales.

Which of the following threat is mitigated by the above controls?

A. Stockout.
B. Uncollectable accounts.
C. Inaccurate customer orders.
D. Invalid sales orders.

13. A _____ is printed by the sales order entry and it triggers the pick-and-pack process which a _____ is used to accompany the shipment of the inventories to the customers.

A. picking ticket; bill of lading
B. packing slip; sales invoice
C. picking ticket; sales invoice
D. packing slip; bill of lading

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14. Centonia Industries Sdn. Bhd. is an established and certified manufacturer for electronic instant water heater, shower pump and shower accessories. The firm has export their products to over 24 countries around the world. Thus, as customers make their payment to Centonia, the bank will then send an electronic notification to the company. This method is known as _____.

A. electronic lockbox
B. lockbox arrangements
C. electronic funds transfer
D. financial electronic data interchange

15. Mr. Lee is the CEO of Beauty Fashion House and a throughout check of the accounts revealed that the firm might be facing some cash flow problems as they are unable to make prompt payment for their purchases in the last one year. Which of the following is ***not*** a control that Mr. Lee can use to avoid this problem from escalating?

A. Proper segregation of duties for those who are handling cash and those who are posting to customer accounts.
B. Register and use a bank's P.O. box to receive all cheques.
C. Perform cash flow budgeting to identify big expenses.
D. Obtain discounts for early payments made to the their creditors.

16. Which of the following is ***not true*** regarding Air Asia's expenditure cycle?

A. Air Asia purchases food and beverages to be sold in all of their flights and makes payment for these purchases.
B. Air Asia's customers includes personal passengers and group passengers such as company and tour bookings.
C. The primary objective of Air Asia is to minimise the total costs of acquiring and maintaining the food supplies in each flight and these requires proper sales forecast and planning.
D. Deciding the level of food and beverages to carry in each flight and which vendor could provide the best price and quality are some of the decisions that needs to be made by Air Asia.

17. Which of the followings are crucial decisions that needs to be made when it comes to the selection of a supplier in Hock Heng Granite Sdn. Bhd.?

I. The past reputation and performance of the supplier is crucial to ensure that the supplier is able to provide good stones to Hock Heng.
II. Hock Heng needs to ensure that all the stones obtained for their production are of high quality.
III. The prices of the granite and marble stones obtained from the quarries must be reasonable.
IV. The suppliers of Hock Heng must be dependable and are able to deliver the required amount of stones to the factory at the required time.

A. I, II & IV only.
B. II, III & IV only.
C. I & III only.
D. All of the above.

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18. Seven Lilacs Candle Art is a rising gifts and craft shop in George Town, Penang, which specialises in elegantly crafted and aesthetically defined aromatic candles inspired by the natural beauty of our surroundings. As such, the shop customises their candle crafts to suit the theme and occasion of their customers. Which of the following inventory control method will best suit Seven Lilacs Candle Art?

A. Economic order quantity inventory method.
B. Just in time inventory method.
C. Materials requirements planning inventory method.
D. None of the above.

19. SSH Plastic Industries is a company that supplies and exports all kinds of plastic products based on their customer's requirements such as ice cream blocks, shopping bags, garbage bags and etc. As such, the first decision in the receiving department of SSH Plastic Industries will be _____.

A. to decide whether to verify the quality of the plastic resins and to ensure that the quality matches those stated in the purchase order
B. to decide whether to accept the delivery of plastic resins as any acceptance of unordered goods might cause further handling and delivery costs
C. to decide whether to accept the delivery of plastic resins based on the availability of a valid purchase order
D. to decide whether the delivered plastic resin's quantity is the same as stated in the delivery order

20. The approval of vendor invoices is done by the accounts payable department and this is done when the _____ and _____ is matched to the _____ to ensure that the goods received are officially ordered.

A. purchase order; packing report; customer invoice
B. sales order; receiving report; customer invoice
C. purchase order; receiving report; supplier invoice
D. sales order; packing report; supplier invoice

21. Hiro Food Packages Manufacturing Sdn. Bhd. is a Japanese based manufacturing firm that manufactures transparent food containers, lunch box containers and sushi containers. Which of the following information flow in Hiro Food Packages Manufacturing Sdn. Bhd. is ***not true***?

A. Jusco's order for 100 cartons of sushi containers flow from the revenue cycle to the production cycle in order to enable the production to plan their schedule and to determine their inventory level.
B. The need to hire an additional of two purchasers flows from the production cycle to the payroll cycle.
C. Plastic resin purchase price flows from the expenditure cycle into the production cycle in order to determine the material costs.
D. The production level and inventory level for all types of containers flows from the production cycle into the general ledger and reporting system in order to determine the cost of inventory in the financial statement.

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22. Jennifer Tan is the production manager of Maluri Sdn. Bhd., a Yong Tau Fu supplier situated in Taman Merdeka. Her task is to ensure that the production of all kinds of fish balls and bean curbs are properly produced. As such, she would require a _____ to determine the level and duration of each production.

A. production order
B. master production schedule
C. material requisition slip
D. move ticket

23. Mr. Shahami is the store general manager of Daiso, Aeon Bandaraya. On 31 July 2016, he realised that some of the store's fixed assets were missing. Which of the following is ***not*** a control that can be used by Mr. Shahami to mitigate this threat in the future?

A. Investigate all missing fixed asset and setup security cameras in the store.
B. Ensure there are competitive bids for each fixed asset purchase done.
C. Restrict access to the inventories, fixed assets and fixed asset records.
D. Ensure that all racks and POS machines are properly identified and recorded.

24. Italy Bakery's cost accounting objective would be all the followings ***except*** _____.

A. to ensure that the AIS is able to collect real-time data on the performance of the ovens and bakers in order to provide information for planning and evaluating the performance of the production operations
B. to ensure that the AIS collects costs and assigns them to each type of pastries according to their baking hours and the level of supervision required in order to provide accurate cost data for the use in pricing the product
C. to ensure that the AIS is able to collect and process all the information used to calculate inventory and cost of goods sold values for the financial report
D. to ensure that the AIS is able to broadcast repair needs and help needs in the location of a particular process by using the EDI technology

25. SkyWorld Development Sdn. Bhd. is currently engaged in the development of a new condominium in Setapak, Kuala Lumpur, known as the Bennington Residence. The condominium promotes a resort-style living with a contemporary rainforest lounge and sky lounge with over 2 acres of rainforest-themed sky park and gardens. As such, which of the following cost accounting system will best suit the development of Bennington Residence?

A. Batch order costing.
B. Process costing.
C. Development costing.
D. Job order costing.

Continued...

26. Mdm. Haili is the human resource manager of Sage Malaysia and her tasks includes all of the followings ***except*** _____.

A. recruiting and providing training for new staff
B. evaluate each employee's performance monthly
C. determining the compensation level of each employee
D. assigning new staffs to their respective department

27. Advance Analytics Sdn. Bhd. is a firm in Shah Alam that renders business process outsourcing services in customer service activities and human resources functions. One of the main human resource service provided is to maintain their customers' payroll master file and to perform payroll processing activities. Thus, Advance Analytics Sdn. Bhd. is also known as a _____.

A. professional service provider
B. professional employer organizations
C. payroll service bureaus
D. payroll processing service provider

28. Which of the following sequence of the payroll cycle activity in Berjaya Corporation Berhad, a firm engaging in diversified core businesses such as the food and beverage industry, hotel and resorts developments and environmental and clean technology investments, is ***true***?

I. The payroll is processed, prepared and disbursed.
II. The payroll master file is updated in order to obtain the accurate pay rate and to identify new hires and current terminations.
III. Employer taxes and miscellaneous deductions were calculated and disbursed.
IV. The time and attendance data of each employee is validated by their respective department head and submitted to the payroll department.

A. II, I, III, IV.
B. IV, II, III, I.
C. II, IV, I, III.
D. III, IV, I, II.

29. In Dutch Lady Milk Industries Berhad, the HR manager ensures that all time cards and job time tickets are properly approved before entering the attendance data into the system. Which of the following is ***not*** a reason why the manager's approval is required on the time cards and job time tickets?

A. Manager's approval is required as inaccurate time and attendance data could result in payments for services not rendered.
B. Inaccurate cheque amount could lead to the damage of employee morale as the employees will further falsify their attendance.
C. Penalties can occur when the improper payroll are remitted to each of the employee.
D. This threat could lead to inaccurate labor reporting which could further lead to inaccurate costing of the products.

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30. Which of the following are threats in distribution of payroll?

I. Failure to make required payments.
II. Inaccurate payments.
III. Error in processing payroll.
IV. Theft or fraudulent distribution of paychecks.

A. I, II & III only.
B. II, III & IV only.
C. I, II & IV only.
D. I, III & IV only.

SECTION B : STRUCTURED QUESTIONS (70 marks).
Please answer all questions in the answer booklet provided.

QUESTION 1

a) Baskin-Robbins is the world's largest chain of ice cream specialty shop that can be found everywhere from local supermarkets to international airports. They target young children and have ever since been very successful in providing a place where people gathers and have fun. Based on this company, list the **FIVE (5)** basic business processes and provide an example for each of the basic processes. (10 marks)

b) A well thought out AIS can add value through effective and efficient decisions. Provide any **THREE (3)** ways of how AIS can add value to a firm. (3 marks)

QUESTION 2

a) Mr. Joel Lim is the CEO of Makers Lights Sdn. Bhd., a medium firm that engages in the production of LED lights related products such as LED televisions and LED billboards. Recently, he has been contemplating to adopt an Enterprise Resource Planning (ERP) system.

Required:

i) Identify any **FOUR (4)** ERP modules that can be found in the ERP system. (2 marks)

ii) Should Makers Lights Sdn. Bhd. adopt an ERP system and why? (3 marks)

iii) Provide any **THREE (3)** benefits of engaging in ERP system. (3 marks)

b) Information output for internal users must produce valuable information that can help to reduce uncertainty. Briefly explain any **TWO (2)** types of information output and the purpose of each of these output that are used by internal users. (4 marks)

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QUESTION 3

a) Electronic data interchange (EDI) is a very powerful tool that has enable firms to link to their customers in order to receive orders and to manage the customer's inventory. Identify the **FOUR (4)** benefits of EDI. (4 marks)

b) The third activity in the revenue cycle activity is billing the customers. In this activity, the billing department would require information from the warehouse department and the credit department.

Required:

i) Do you agree with the above statement and why? (3 marks)

ii) List and explain the **TWO (2)** basic ways to maintain accounts receivables and provide **ONE (1)** advantage for each of these methods. (6 marks)

iii) Provide **THREE (3)** reasons why are credit memos distributed in the billing process? (3 marks)

iv) Provide **FOUR (4)** threats in the billing process. (4 marks)

QUESTION 4

a) Ordering goods and services is a crucial step to a company's expenditure cycle as the purchasing agent needs to identify what items to purchase, when to purchase these items and the quantity of the purchased items.

Required:

i) Identify **FIVE (5)** ways how technology can help improve the efficiency and effectiveness of the purchasing function. (5 marks)

ii) Kickbacks are known to be a threat to the purchasing function. Define *kickbacks* and identify **THREE (3)** preceding threats from kickbacks. Subsequently, provide any **ONE (1)** control that can be used to mitigate this threat. (5 marks)

b) The primary objective of the cash disbursement process is to pay only for goods and services that were ordered and received. List any **FIVE (5)** threats that can be found in this process. (5 marks)

QUESTION 5

a) Explain the **TWO (2)** common approaches to production planning. (6 marks)

b) What are the **TWO (2)** key documents that are used in the product design stage? Define each of these documents. (4 marks)

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